



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Brad Corcoran, City Manager

From: Tammie B. McMichael, Director of Finance and Personnel

Date: November 17, 2015

Subject: Amended Ordinance 16-237 Discontinuance of Service Upon Failure to Pay Charges and Policy FIN-11 Finance Reconnect Policy

Currently, our water and sewer customers have 20 days to pay their water bill. We add a \$10.00 late fee to their account if the bill is not paid by the due date. If the account is still delinquent after 10 more days, we charge them a \$25.00 reconnect fee if they don't pay before we disconnect their service. The reconnect fee is not applied directly to the customer's account. Therefore, on the day of cut off, staff is having to contact the meter technician to see if he has gotten to the property if the customer comes in to pay. We have customers call us to pay when the meter technician is literally standing in their yard to avoid the reconnect fee.

The current ordinance and policy does not allow us to immediately charge the delinquent customers the reconnect fee unless we actually disconnect their service. We also pull or lock the meters, if the account is still delinquent 10 more days after the cutoff date. Currently, we give a total of 30 days before we disconnect service and 40 days before we pull or lock the water meter. These customers are already extremely late and, it is not fair to customers who are at the beginning of the cut off list to have to always pay the reconnect fee.

We believe customers should not be allowed to negotiate with the meter technician to avoid paying the reconnection fee. When we have approximately 200 customers a month on the cut off list, it creates a lot of confusion in the office. It is constant confrontations with customers in the office and on the telephone discussing whether their water has been turned off or not.

I contacted 11 other municipalities who **apply the penalties immediately when the list is generated**. It is staff's recommendation that we amend our ordinance & policy to state that we are going to apply these late payment penalties when the list is generated. We believe if a customer is delinquent, they should be required to pay the penalty no matter where his name appears on the list.